

CALIFORNIA HIGH-SPEED RAIL AUTHORITY
MEETING MINUTES
March 2, 2007
SACRAMENTO, CALIFORNIA

The meeting of the California High-Speed Rail Authority was called to order on March 2nd at 10:04 a.m. at the Sacramento Council of Governments Building in Sacramento, CA.

Members Present: Quentin Kopp, Chair
Donna Andrews
David Crane
Rod Diridon, Sr.
Fran Florez, Vice Chair
Kirk Lindsey
Curt Pringle
Lynn Schenk

Opening Comments

Chair Kopp welcomed the audience to today's meeting and introduced the three new members appointed by Governor Schwarzenegger in mid-February 2007 and swore them into office.

Approval of Meeting Minutes for the following Authority Meetings:

Chair Kopp presented the minutes from the January 29, 2007 meeting for approval with the addition of Assemblymember Beall to the names of legislators visited by Chair Kopp and Executive Director Morshed. Member Schenk moved to approve the January minutes with the additional language, Member Diridon seconded, which carried 8-0.

Authority Members' Meetings for Compensation

Chair Kopp presented the list of meetings for compensation for approval. Member Diridon moved to approve the list of meetings for compensation, Member Schenk seconded, which carried 8-0.

Member Reports

Member Pringle reported that he appreciated the opportunity to serve with the High-Speed Rail Board and represent all areas of the state. Member Pringle reported that the City of Anaheim and County of Orange's focus has been transportation over the last few years. Member Pringle reported that Orange County was the first county to pass a self-help measure to address the concerns of transportation. This half-cent tax approval gives a signal that Orange County accepts the principal that transportation is a critical element and funding for transportation has to be found somewhere.

Member Pringle reported that the City of Anaheim is developing one of the largest intermodal transit facilities in California. The development is known as

ARTIC Anaheim Regional Transportation Intermodal Center and it will hopefully be a home for the California High-Speed Rail. This will additionally be a home for a variety of other intermodal options. The Orange County Transportation Authority purchased land for the ARTIC system and is working on Environmental Reviews of the station. High-speed rail is one of the key considerations for services provided at the station.

Member Pringle reported that the County of Orange appreciates the Authority's previous action in signing a memorandum of understanding to work together. Orange County is one of the few counties which has provided local transportation funds to assist the California High-Speed Rail Authority in advancing some of the studies and evaluations of service capacity. Member Pringle hopes it shows a continuing commitment on the part of Orange County that there is a seriousness to move this project forward.

Member Lindsey reported that he has been around transportation all of his life and is honored to be on the Authority. Member Lindsey has served for the last seven years on the California Transportation Commission. Member Lindsay reported that he is planning to absorb what the Authority has to say and try to learn quickly to get up to speed.

Member Diridon joined the board in welcoming the new members to the Board. Member Diridon reported that the national organization that represents high-speed rail, which is the High-Speed and Intercity Rail Committee of the American Public Transit Association, will be having a sequence of meetings in June 3-6 in Toronto. It is the annual railway conference for APTA and information will be mailed to each of the board members in hopes that they will have an opportunity to attend. There will be three sessions scoped around high-speed rail and it will give the board members to see the national picture and be involved in the advocacy at the national level.

Chair Kopp reported on the meetings he has attended on behalf of the Authority over the last few weeks. Chair Kopp reported that he addressed the Foster City Rotary Club (Feb 8th). He met with Nicholas Gauthier and Emmanuel DeSoriot who are from the French Embassy. Mr. Gauthier is posted in Washington D.C. and Mr. DeSoriot is a new representative of the French Republic at the consulate in San Francisco. Members may remember Mr. Gauthier from last July's inspection of TGV facilities and lines in France. Chair Kopp reported that on February 15th, he met with the President of the Greater San Francisco Chamber of Commerce Steve Faulk and the General Manager Jim Lazarus who gave expression of their continuing support of the project. On February 13th, he met with Assemblyman Jim Beall who is likewise a supporter. On February 28th he appeared at the San Francisco Democratic County Central Committee which adopted a resolution of

support that will be transmitted to the Governor and all members of the Legislature.

Chair Kopp moved to Item 7 until the return of Executive Director Morshed.

Item 7

Deputy Director Leavitt introduced the Preliminary HST Travel and Cost Estimates as an information item only. Deputy Director Leavitt reminded the board and audience the draft Environmental Report for the Bay Area has not been released, therefore, there is no formal comment on this item at this time. Although, the Authority is still interested in comment and this information will be on the CHSRA website. The evaluations of the comments received before the draft will not necessarily be responded to and will not be a part of the formal environmental process. The data presented today is preliminary and could change prior to the release draft program EIR/EIS document. This is only part of the data that will be contained in the program EIR/EIS. Deputy Director Leavitt thanked Kip Field of Parsons Brinckerhoff and his staff for their hard work on the estimates, especially over the last few months.

Executive Director's Report

Executive Director Morshed reported that over the last month he has had a number of meetings with the Legislators and their staff and is happy to report that there is growing support for the high-speed rail project. There are a few hearings scheduled in regards to high-speed rail. The Assembly Transportation Committee has scheduled a briefing on March 12th where staff will be giving the Committee a briefing on high-speed rail. The Assembly Budget Committee has scheduled the budget hearing on the Authority's budget for March 21st.

Executive Director Morshed reported that Assemblymember Fiona Ma has been authorized by the Speaker to form a high-speed rail caucus. Ma will be sending out letters to colleagues asking them to join her. The purpose of the caucus is to get a group of people who support the high-speed rail train to support full funding of the Authority's budget request and keep the 2008 bond measure on the ballot.

Executive Director Morshed reported that as of today there are three bills in the Legislature relative to high-speed rail. AB 1228 by Assemblymember Solorio modifies the language in the bond measure that references Los Angeles to San Francisco and changes it to reference Anaheim/Orange County to San Francisco. There is legislation introduced by Fiona Ma at our request, because we may have some necessary clean-up legislation that we may need to do. Senator Florez introduced SB 372 another spot bill in case we need changes or modifications for the Authority's Legislation Bond Issue. At this time he doesn't have any specific plans for it.

Executive Director reported that last week he testified before the National Commission that is holding hearings throughout the country regarding the future of transportation funding. The Commission had a hearing in Los Angeles and invited Executive Director Morshed to testify. Executive Director Morshed reported that he suggested to them that any future transportation solutions should include high-speed trains as a way of relieving not only highway congestion but also the airport congestion.

Executive Director reported that the Authority hosted a Japanese visit last month as part the Authority's previous work and current MOU. Following our previous work with Japan, they are going to assign someone to work with us to look at our work and try to educate us a little bit more about the way the business and the process of building and operating trains works in Japan. This process will enable the Authority the ability to better plan in terms of how our processes fit into the Japanese business culture versus some of the European process that go on. This has been a very fruitful and cooperative effort. The staff is also going to meet with them again next week to follow-up.

Executive Director Morshed reported that there are copies for the board members of a program on KQED Channel 9 in the Bay Area for a show called Quest. It is a very good piece on high-speed rail trains. The segment on high-speed rail trains was a very good and informative piece that was broadcast in the San Francisco/Bay area.

Executive Director Morshed reported that he had a copy of a draft MOU that the Authority needs to enter into with the FRA in order to proceed with the project level EIR/EIS. FRA was HSR's lead agency as far as the Federal side is concerned in preparing the program level EIR/EIS and they've agreed to be the lead agency for the project level. The staff has a draft MOU for you to review and it will be presented at the next board meeting where staff will ask the board members to authorize the Executive Director to enter into an agreement and sign the MOU.

Executive Director Morshed reported that some of the board members had expressed difficulty with the board meeting schedule including board meetings on Mondays. A questionnaire was sent to all the board members requesting the appropriated dates for the future board meetings, but I didn't hear from everyone. Executive Director Morshed requested that board members provide him with their input.

Executive Director Morshed reported that Newlands Inc had developed a ten minute video for high-speed rail that shows what can be done with this whole concept of visual simulation. The simulation gives the audience the opportunity

to visualize what this project would really look like in real life. This video is just a sample, a tool to take over to all the communities to show them what a high-speed train in their community would look like based on what they need. An introduction of what can be done.

The board provided input on what they would like to see in future visual simulations.

Project Status Report

Executive Director Morshed reported on the past activities and the status of the California High-Speed Train Project for the new members.

Contract Procurement Procedures

Executive Director presented the board with a draft contract procurement procedures document to determine the process for handling future contracts for the Authority. Member Schenk requested that before a firm is chosen a financial review of the company is completed to provide adequate security that the firm is financially solvent. Member Schenk requested that the procedures would include language to allow the Executive Director to include outside counsel in determination of the contract. Chair Kopp requested that language be added to address Member Schenk's concerns and included grammatical changes. Member Andrews moved to approve the procedures after the new language is added, Member Schenk seconded, which carried 8-0.

Preliminary HST Travel and Cost Estimates

Kip Field from Parsons Brinkerhoff presented a preliminary travel time and capital cost analysis to be used for the Bay Area to Central Valley HST Program EIR/EIS. Members requested that future presentations include a defined relevance to the Implementation Plan to allow for a context to the information that is being presented.

Preliminary HSR Ridership and Revenue Results

Maren Outwater from Cambridge Systematics presented a preliminary HST ridership and revenue forecasts from their new model developed by MTC in partnership with the Authority.

Project Staging

Executive Director Morshed reported on the goals of the California High-Speed Rail Authority to develop a high-speed train that travels over 700 miles of track from San Diego to Sacramento. Executive Director Morshed reported on the stages of work that the Authority has completed over the last ten years that include: the Business Plan, Implementation Plan and the project level EIR/EIS. Executive Director Morshed reported that the next stages for the Authority

require a great deal more funding. Executive Director Morshed reported that it is now the time for the board to start creating a staging plan for the project.

Member Lindsey and Member Crane requested more detailed information on the different corridors and the costs associated with the different aspects of developing the high-speed train be given to the Board Members. Member Crane requested that members are provided with a cost breakdown for the different segments being considered for the alignment of the train.

Members questioned consultants and staff regarding the costs, staging, alignment and ridership studies. Member Crane recommended that the Authority look to more private investment funds to develop high-speed rail or provide quality reasoning for using state funds to develop the project.

Ms. Barbara Lloyd from Lehman Brothers commented that the State of California's experience with public/private partnerships when they have had dialogue with private entities, especially over the last few years, there is a huge obstacle to the private sector investment. The obstacle is the EIR process. The process takes a large deal of cost in creating a best case proposal and the result may be the private investor spends the next two or four years in the EIR process and end up with nothing to show for the investment. Ms. Lloyd commented that from a practical standpoint, state dollars should be used on the expenditures that the Authority is working on right now with the EIR process. This is a fundamental investment that really nobody but the state can make.

Public Comment

No Public Comment

Meeting adjourned at